

# HOUSE BILL REPORT

## HB 2369

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**As Reported by House Committee On:**  
Commerce & Labor

**Title:** An act relating to authorizing the Washington horse racing commission to expend a statutorily limited amount of its operating funds for the development of the equine industry, improvement of racing facilities, and equine health research.

**Brief Description:** Authorizing the Washington horse racing commission to expend a statutorily limited amount of its operating funds for the development of the equine industry, improvement of racing facilities, and equine health research.

**Sponsors:** Representatives Quall and Conway; by request of Horse Racing Commission.

**Brief History:**

**Committee Activity:**

Commerce & Labor: 1/11/06, 1/23/06 [DPS].

**Brief Summary of Substitute Bill**

- Authorizes the Washington State Horse Racing Commission to spend annually up to \$300,000 of operating funds to develop the equine industry and upgrade racing facilities, with priority given to nonprofit race meets and equine health research.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Holmquist, Kenney and McCoy.

**Minority Report:** Do not pass. Signed by 1 member: Representative Hudgins.

**Staff:** Chris Cordes (786-7103).

**Background:**

The Washington State Horse Racing Commission administers the requirements governing the conduct of horse race meets in Washington. Its responsibilities include encouraging the training and development of the equine industry and assuring that racing facilities are maintained and upgraded to insure safety for the public and the horses during training and racing meets.

One source of funding for some of these responsibilities is the interest on the 1 percent of gross parimutuel machine receipts that is reserved to pay special purses to owners of Washington-bred horses. The statute's legislative intent states that this funding is to be "sufficient" for the support of small race courses.

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**Summary of Substitute Bill:**

As long as sufficient funds remain for its continued operations, the Washington State Horse Racing Commission (Commission) may spend up to \$300,000 per fiscal year of its operating funds for developing the equine industry, maintenance and upgrades of racing facilities, and equine health research. In allocating funds, the Commission must give first consideration to uses that assist the nonprofit race meets and equine health research.

The legislative findings are modified regarding the interest obtained from the 1 percent of gross parimutuel machine receipts reserved to pay special purses to owners of Washington-bred horses. This funding is no longer described as "sufficient" for the support of nonprofit race meets.

**Substitute Bill Compared to Original Bill:**

In the substitute bill, references to "small race courses" are replaced with "nonprofit race meets."

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** The advance deposit wagering bill has turned the horse racing industry around in Washington. The administration staff has also done a great job in the last three years. This puts the Commission in the position of investing some operating funds to develop the industry, as it used to do in the days of Longacres. The example is the nonprofit Class 3 tracks. These often have problems obtaining jockeys because they compete with Oregon tracks where an incentive fund is available. The Commission could create a similar fund for Washington. It could also upgrade these racing facilities and support Washington State University's research in equine health, research that is needed for the industry. The Commission's priorities would first be the Class 3 tracks and the health research. The Commission would have to maintain sufficient revenues for operating costs and would adopt rules to implement the bill. Emerald Downs is also thriving now, and all the funds authorized in this bill will support the small nonprofit Class 3 tracks.

**Testimony Against:** None.

**Persons Testifying:** Hartley Kruger and Bob Leichner, Washington State Horse Racing Commission; and Jim Halstrom, Emerald Downs.

**Persons Signed In To Testify But Not Testifying:** None.